

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 1791

DATE OF FINAL PASSAGE November 13, 2018

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE OF TWO SERIES OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$41,000,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION AND REHABILITATION OF A MULTIFAMILY RENTAL HOUSING FACILITY KNOWN AS HILLSIDE VIEWS APARTMENTS, AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS.

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code, as amended (Act), the Housing Authority of the City of San Diego (Authority) is authorized to incur indebtedness for the purpose of financing the acquisition, construction, rehabilitation and equipping of multifamily rental housing; and

WHEREAS, 5471 Bayview Heights, L.P., a California limited partnership (Borrower), has requested that the Authority issue and sell bonds for the purpose of making loans to the Borrower to finance the acquisition and rehabilitation by the Borrower of a 300 unit multifamily residential rental housing facility (Project) known as Hillside Views Apartments, located at 5471 Bayview Heights Place in the City of San Diego (City); and

WHEREAS, the Board of Commissioners of the Authority (Board) desires that a portion of the units in the Project be available for very low and low-income persons or families, and in order to accomplish such purpose it is desirable for the Authority to provide for the issuance of revenue bonds to finance costs of the acquisition and rehabilitation of the Project; and

WHEREAS, the Authority intends to issue its Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (Hillside Views Apartments), 2018 Series G-1 (G-1 Bonds) and its Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (Hillside Views Apartments), 2018 Series G-2 (G-2 Bonds), which G-1 Bonds in an amount not to exceed \$29,000,000 are expected to be sold to RBC Capital Markets, LLC (Underwriter) in connection with a public offering of the G-1 Bonds, and which G-2 Bonds in an amount not to exceed \$12,000,000 are expected to be sold to California Bank & Trust (CB&T) in a private placement; and

WHEREAS, the Authority will loan the proceeds of the G-1 Bonds and the G-2 Bonds (Bonds) to the Borrower and the Borrower will use the proceeds of the Bonds to finance costs of the acquisition and rehabilitation of the Project and the costs of issuing the Bonds; and

WHEREAS, the City Council of the City, by Resolution No. R-311718, with a date of final passage of April 25, 2018, approved the issuance by the Authority of the Bonds in a principal amount of up to \$32,000,000, after publication of a “TEFRA” notice and the holding on April 24, 2018 of a “TEFRA” hearing, as required by the Internal Revenue Code of 1986, as amended and applicable United States Treasury Regulations; and

WHEREAS, the City Council of the City adopted Resolution No. R-311849, with a date of final passage on June 29, 2018, approving an increase in the expected principal amount of the Bonds to \$41,000,000, which Resolution was adopted after publication of a revised “TEFRA” notice to update the expected principal amount of the Bonds, and the holding on June 26, 2018 of a new “TEFRA” hearing; and

WHEREAS, California Government Code section 8869.85 requires that a local agency file an application with the California Debt Limit Allocation Committee (CDLAC) and obtain the authority from CDLAC to issue tax-exempt multifamily housing revenue bonds; and

WHEREAS, on September 19, 2018, CDLAC has allocated to the Project \$41,000,000 of the State of California 2018 State ceiling for private activity bonds under section 146 of the Internal Revenue Code of 1986; and

WHEREAS, it is proposed that the G-1 Bonds be offered for sale by means of an Official Statement in preliminary form and be sold pursuant to a final Official Statement, and because pursuant to section 3.2 of the City's Debt Policy (as updated on April 24, 2017) no City or related entity financial information will be included in any such Official Statement in preliminary or final form, the G-1 Official Statement (as referred to below) has not been and need not be reviewed by the City's Disclosure Practices Working Group; and

WHEREAS, the following documents are presented for consideration;

(1) the proposed form of the Trust Indenture (G-1 Indenture), by and between the Authority and The Bank of New York Mellon Trust Company, N.A. (Trustee), as trustee, including the related form of the G-1 Bonds; and

(2) the proposed form of Loan Agreement (G-1 Loan Agreement), by and between the Authority and the Borrower related to the G-1 Bonds; and

(3) the proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (Regulatory Agreement), by and between the Authority and the Borrower; and

(4) the proposed form of the Bond Purchase Agreement (G-1 Bond Purchase Agreement), by and among the Authority, the Borrower and the Underwriter; and

(5) the proposed form of the Official Statement (G-1 Official Statement) to be used by the Underwriter in connection with the offering and sale of the G-1 Bonds; and

(6) the proposed form of the Trust Indenture (G-2 Indenture), by and between the Authority and the Trustee, including the related form of the G-2 Bonds; and

(7) the proposed form of Loan Agreement (G-2 Loan Agreement), by and among the Authority, the Trustee and the Borrower related to the G-2 Bonds; and

(8) the proposed form of the Assignment of Loan Documents (G-2 Assignment), between the Authority and the Trustee relating to the G-2 Bonds; and

WHEREAS, it appears that each of the above-referenced documents is in appropriate form and is an appropriate instrument for the purposes intended; NOW, THEREFORE,

BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the City of San Diego, as follows:

Section 1. Finding and Determination. It is hereby found and determined that it is necessary and desirable for the Authority to provide for the financing of the acquisition and rehabilitation of the Project through the issuance and sale of the Bonds in order to assist persons of very low income and low income within the City in obtaining decent, safe and sanitary housing and to achieve certain other public purposes.

Section 2. Authorization of Bonds. For the purpose of financing the acquisition and rehabilitation of the Project, the Authority hereby approves the issuance of the Bonds in an aggregate principal amount not to exceed \$41,000,000.

The G-1 Bonds shall be issued in the principal amount, and shall bear interest and mature as provided in the G-1 Indenture. The G-1 Bonds shall be in substantially the form set forth in

the G-1 Indenture, with such appropriate variations, omissions, insertions and provisions as are required or permitted by the G-1 Indenture. The G-1 Bonds shall be special, limited obligations of the Authority and shall be payable as to principal and interest, and the obligations of the Authority under the G-1 Indenture shall be paid and satisfied, solely from the revenues, receipts and other moneys and assets pledged therefor under the G-1 Indenture.

The G-2 Bonds shall be issued in the principal amount, and shall bear interest and mature as provided in the G-2 Indenture. The G-2 Bonds shall be in substantially the form set forth in the G-2 Indenture, with such appropriate variations, omissions, insertions and provisions as are required or permitted by the G-2 Indenture. The G-2 Bonds shall be special, limited obligations of the Authority and shall be payable as to principal and interest, and the obligations of the Authority under the G-2 Indenture shall be paid and satisfied, solely from the revenues, receipts and other moneys and assets pledged therefor under the G-2 Indenture.

Section 3. Execution and Delivery of the Bonds. Each series of the Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chairman of the Authority (Chairman), the Vice Chairman of the Authority (Vice Chairman), the Executive Director of the Authority (Executive Director), the Senior Vice President of Real Estate Finance and Portfolio Management (Senior Vice President) of the San Diego Housing Commission (Housing Commission), the Vice President of Multifamily Housing Finance of the Housing Commission (Senior Director), or the Executive Vice President and Chief of Staff of the Housing Commission (VPCOS), and the official seal of the Authority, or a facsimile thereof, shall be impressed or imprinted thereon and attested with the manual or facsimile signature of the Secretary or a Deputy Secretary of the Authority.

Section 4. Approval of the Indentures. The G-1 Indenture and the G-2 Indenture, in the respective forms on file in the Housing Commission offices, are hereby approved. The Chairman, the Vice Chairman, the Executive Director, the Senior Vice President, the Senior Director, the VPCOS and the Deputy Secretary of the Authority, or the designee of any such officer (such officers and any of his or her respective designees are hereinafter referred to as the Designated Officers) are each hereby authorized to execute and deliver the G-1 Indenture and the G-2 Indenture in such forms, together with such changes as may be approved by the Designated Officer executing the same, upon consultation with the General Counsel to the Authority, such execution thereof to constitute conclusive evidence of the approval of all changes from the form of the G-1 Indenture and the G-2 Indenture approved at this meeting.

Section 5. Approval of Loan Agreements. The G-1 Loan Agreement and the G-2 Loan Agreement, in the respective forms on file in the Housing Commission offices, are hereby approved. The Designated Officers are each hereby authorized to execute and deliver the G-1 Loan Agreement and the G-2 Loan Agreement in such forms, together with such changes as may be approved by the Designated Officer executing the same, upon consultation with the General Counsel to the Authority, such execution thereof to constitute conclusive evidence of the approval of all changes from the form of the G-1 Loan Agreement and the G-2 Loan Agreement approved at this meeting.

Section 6. Approval of Regulatory Agreement. The Regulatory Agreement, in the form on file in the Housing Commission offices, is hereby approved. The Designated Officers are each hereby authorized to execute and deliver the Regulatory Agreement in such form, together with such changes as may be approved by the Designated Officer executing the same, upon consultation with the General Counsel to the Authority, such execution thereof to constitute

conclusive evidence of the approval of all changes from the form of the Regulatory Agreement approved at this meeting.

Section 7. Approval of G-1 Bond Purchase Agreement. The G-1 Bonds are to be sold to the Underwriter pursuant to the terms of the G-1 Bond Purchase Agreement. The G-1 Bond Purchase Agreement, in the form on file in the Housing Commission offices, is hereby approved. The Designated Officers are each hereby authorized to execute and deliver the G-1 Bond Purchase Agreement in such form, together with such changes as may be approved by the Designated Officer executing the same, upon consultation with the General Counsel to the Authority, such execution thereof to constitute conclusive evidence of the approval of all changes from the form of the G-1 Bond Purchase Agreement approved at this meeting.

Section 8. Approval of G-1 Official Statement. The Underwriter is hereby authorized to distribute a preliminary G-1 Official Statement for the G-1 Bonds, in the form placed on file with the Authority, to persons who may be interested in the purchase of the G-1 Bonds and to deliver the G-1 Official Statement in final form to the purchasers of the G-1 Bonds, in each case with such changes as any Designated Officer, with advice of counsel to the Authority, deems desirable, necessary or appropriate.

Section 9. Approval of G-2 Assignment. The G-2 Assignment, in the form on file in the Housing Commission offices, is hereby approved. The Designated Officers are each hereby authorized to executed and deliver the G-2 Assignment in such form, together with such changes as may be approved by the Designated Officer executing the same, upon consultation with the General Counsel to the Authority, such execution thereof to constitute conclusive evidence of the approval of all changes from the form of the G-2 Assignment approved at this meeting.

Section 10. Actions Ratified and Authorized. All actions heretofore taken by the officers, employees and agents of the Authority with respect to the issuance and sale of the Bonds are hereby approved, confirmed and ratified, and the Designated Officers are each hereby authorized, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements (including a tax agreement or no arbitrage certificate) and other documents, including but not limited to those described in any of the documents approved by this Resolution, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and the making of the loans pursuant to the G-1 Loan Agreement and the G-2 Loan Agreement in accordance with the Act and this Resolution.

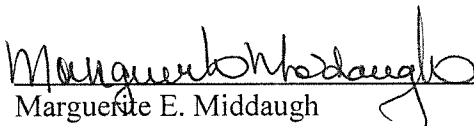
Section 11. Further Consents, Approvals and Other Actions. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution or otherwise appropriate in the administration of the G-1 Bonds and the G-2 Bonds and the lending program financed thereby, including without limitation any of the foregoing which may be necessary or desirable in connection with any amendment of such documents, any transfer of the Project, any substitution of security for either series of the Bonds, or any redemption of either series of the Bonds may be taken or given by any of the Designated Officers, without further authorization by the Board, and the Designated Officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this Resolution.

Section 12. Conflicting Resolutions Repealed. All resolutions or parts thereto in conflict with this Resolution are, to the extent of such conflict, hereby repealed.

Section 13. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any remaining provisions of this Resolution.

Section 14. Effective Date. This Resolution shall take effect immediately upon its adoption.

APPROVED: MARA W. ELLIOT, General Counsel

By 
Marguerite E. Middaugh
Deputy General Counsel

MEM:jdf
09/05/2018
Or.Dept: Housing Authority
Doc. No.: 1828804

Passed and adopted by the Housing Authority of the City of San Diego on November 13, 2018,
 by the following vote:

	Yeas	Nays	Excused	Not Present
Barbara Bry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Ward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Georgette Gomez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

Myrtle Cole

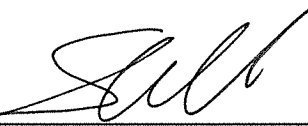
 Chair of the Housing Authority
 of the City of San Diego, California

Richard C. Gentry

 Executive Director of the Housing Authority
 of the City of San Diego, California

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of
 RESOLUTION NO. **1791** passed and adopted by the Housing Authority of the City of San
 Diego, California on November 13, 2018.

By: _____



Scott Marshall
 Deputy Secretary of the Housing Authority
 of the City of San Diego, California